



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Ward and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Neil Miller, Director of Public Works
Dana Greenwood, City Engineer
Stephanie Katsouleas, Senior Civil Engineer

DATE: October 3, 2006

SUBJECT: Rejection of Bid for Residential Service Conversion Work in Utility Underground Districts, 1, 3 and 5.

RECOMMENDATION:

Staff recommends that City Council reject the bid received to perform residential service conversion work for 25 homeowners in Utility Underground Districts 1, 3 and 5.

FISCAL IMPLICATIONS:

There are no fiscal implications in rejecting the bid received to perform residential service conversion work for homeowners in Districts 1, 3 and 5.

BACKGROUND:

Homeowners in Districts 1, 3 and 5 were first notified by the City in December 2005 that it was now time to begin Phase 2 of the utility undergrounding project, which included arranging for private property, residential service conversion work. This work includes installing underground PVC pipe (conduit) on private property to both intercept and link the public right-of-way conduit to utility panels on the home.

Homeowners were periodically reminded an additional three times over the next six months (February, April, May) of the June 30, 2006 deadline and provided with a list of local electrical contractors known to perform service conversions. They were also encouraged to consult the yellow pages for additional electrical contractors. Those who did not complete their service conversions by the June 30 deadline were given a final notice to comply by August 17, 2006 (the final deadline). The final notice stated that all noncompliant properties would be subject to the City completing the work on their behalf under a Public Works contract and that they would be billed for associated costs. The notice also stated that under a Public Works contract, the work would be in all likelihood more expensive than if homeowners hired a private contractor directly. At the end of the final deadline, there were a total of 25 parcels who had not initiated service conversions.

DISCUSSION:

On August 28, 2006 the City released a bid package identifying the 25 noncompliant parcels and the service conversion work needed. On September 20, 2006, one bid was received at the bid opening with total bid amount of \$230,000 for the 25 homes, or on average \$9,200 per home. Based on the average service conversion fees being charged by local contractors, City staff felt that this amount was excessive (about 3-4 times more expensive than local rates). However, the City has an obligation to all homeowners to ensure timely completion of the project, and this requires ensuring that 100% of the homes in Districts 1, 3 and 5 are fully converted. For these reasons, staff has developed an alternative, multi-tiered solution for consideration:

1. Extend the service conversion work deadline an additional 30 days (to November 6, 2006).
2. Outreach to these specific 25 homeowners and strongly encourage them to initiate the required service conversion work by the new deadline.
3. Provide their names and addresses to local contractors for targeted solicitation
4. At the conclusion of the 30 day window, issue a new bid package to complete service conversions on all homes that did not initiate the required work.

Should there be any noncompliant homes remaining at the conclusion of the new 30-day window, the City would issue a new bid package again identifying those homes and the necessary work to be completed. Under this scenario, only the minimum amount of work needed to comply with conversion requirements and ensure safety would be required (e.g., trenching, installing conduit, backfilling, patching stucco). Cosmetic work (e.g., surface restoration, matching stucco, painting) would be left to the homeowners to complete at their own convenience and expense. Staff believes that multiple electrical contractors would bid on the package for several reasons, including the anticipated reduced workload, removal of required cosmetic work and typically slow working season (over the holidays). By doing an abbreviated advertisement and fast-tracking the award process, we are confident that this overall approach would not delay (or significantly delay) conclusion of the overall project.

RECOMMENDATION:

Staff recommends that City Council reject all bids and instead approve the multi-tiered approach outline above.

xc: Robert V. Wadden, Jr.